



HUMAN RESOURCES AND BENEFITS

P.O. BOX 24570
OAKLAND, CALIFORNIA 94623-1570

April 2006

Dear University of California/LANL Retiree:

You have been hearing a lot of news related to the transition of the management of the Los Alamos National Laboratory to Los Alamos National Security LLC, or LANS, on June 1, 2006. I am writing to tell you how this change in management of the lab will affect you as a UC/LANL retiree.

Your monthly pension

There will be *no change in your monthly pension benefit*. You will continue to receive your monthly benefit in the same manner you do now, directly from UC. You will remain a retiree of the University of California Retirement Plan and your vested benefits in this plan will not change.

Your health care and other insurance coverage

As part of the contract between LANS and the Department of Energy, health care and other insurance coverage for LANL retirees will be provided through LANS after the transition. However, UC will continue to deduct your insurance premiums and/or pay your Medicare Part B reimbursement, if any, directly from your monthly pension check through the end of 2006. This will allow LANS more time to develop the systems and procedures it needs to handle this premium payment function on its own beginning in 2007.

Your insurance coverage for medical (through UnitedHealthcare plans or Blue Cross Core), dental (through Delta Dental), legal (through ARAG), and AD&D (through American Home) will continue through LANS beginning June 1, 2006. If you are enrolled in any other medical plan or PMI Dental, you will need to change plans; LANS will contact you about your options. You will also be receiving new medical insurance cards sometime around June 1. Any changes which may affect your coverage (moving out of the Select EPO service area or family changes) should be reported to LANS beginning June 1.

Public forums

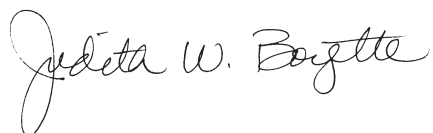
LANS and UC are planning joint meetings specifically for retirees in May. See the websites listed below for announcements, dates and locations of these meetings.

For those of you outside of the Los Alamos area and for those with further questions, here are some additional sources of information that you may find helpful:

The LANL Transition website	http://transition.lanl.gov/
The LANS website	www.lansllc.com
The UC Customer Service Center	1-800-888-8267

As LANL retirees, you are an important part of the UC family and I look forward to continuing to serve you as a member of our retirement program.

Sincerely,

A handwritten signature in black ink that reads "Judith W. Boyette". The signature is written in a cursive style with a large, stylized 'J' and 'B'.

Judith W. Boyette
Associate Vice President
Human Resources and Benefits